

Message Text

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10

ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 SP-02 AID-05 NSC-05 CIEP-02

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-01 INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06 LAB-04

SIL-01 L-03 PA-02 PRS-01 SAM-01 /098 W

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R 251717Z JUL 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 9565

UNCLAS CARACAS 7618

E.O. 11652: N/A

TAGS: EFIN EGEN VE

SUBJ: VENEZUELA INVESTMENT FUND

1. THE VENEZUELA INVESTMENT FUND CONCLUDED A CONTRACT JULY 24 FOR A LOAN OF BS 300 MILLION TO ALCASA, THE STATE-OWNED ALUMINUM PLANT, IN CIUDAD GUAYANA. THE LOAN, WHICH IS FIRST MAJOR PROJECT LOAN OF THE FUND, WOULD ENABLE ALCASA TO EXPAND ITS OUTPUT FROM 54 MILLION TONS PER YEAR TO 120 MILLION TONS. THE FUND IS ALSO CONSIDERING A LOAN OF AN UNDERTIMED AMOUNT TO VENALUM, IN WHICH THE STATE HAS MAJORITY OWNERSHIP, FOR CONSTRUCTION OF A PLANT WHICH COULD PRODUCE 280 MILLION TONS OF ALUMINUM PER YEAR. THE NEXT PROJECT LOAN EXPECTED TO BE CONTRACTED BY THE FUND IS FOR EXPANSION OF THE STATE-OWNED GURI DAM.

2. THE PRESIDENT OF THE FUND. DR. QUERO MORALES, TOLD THE PRESS THAT THE FUND PLANS TO FINANCE PROJECTS IN THE STEEL INDUSTRY, SHIP BUILDING AND MARINE TRANSPORTATION, THE METAL-MECHANICAL INDUSTRY AND THE PETROCHEMICAL INDUSTRY. THE FUND ALSO IS EXPECTED TO MAKE LOANS TO PETROVEN, THE STATE HOLDING COMPANY DESIGNED TO OPERATE THE OIL INDUSTRY AFTER NATIONALIZATION.

3. QUERO ACKNOWLEDGED THAT BECAUSE OF A DROP IN PETROLEUM
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REVENUE, THE FUND WOULD RECEIVE ONLY BS 9.6 BILLION FROM THE

BUDGET IN 1975 AND ESTIMATED THAT IN 1976, THE FUND WOULD RECEIVE
BETWEEN BS 10 AND 8 BILLION.
SHLAUDEMAM

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NNN

Message Attributes

Automatic Decaptioning: X
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Draft Date: 25 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Authority: n/a
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Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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